

THE GREEN LADY DISPENSARY INC – HOST COMMUNITY AGREEMENT FOR THE  
SITING OF A CULTIVATION, PROCESSING, AND DISPENSING MEDICAL MARIJUANA  
TREATMENT CENTER IN THE TOWN OF NANTUCKET

This Agreement (the "Agreement") entered into this 21 day of November, 2017 by and between the Town of Nantucket, acting by and through its Town Manager, with a principal address of 16 Broad Street, Nantucket, Massachusetts 02554 (hereinafter the "Town") and The Green Lady Dispensary, Inc., a Massachusetts not-for-profit corporation with a principal office address of 15 Skyline Drive, Nantucket, MA 02554 (hereinafter "Company").

WHEREAS, Company wishes to locate a licensed Medical Marijuana Treatment Center (MMTC) engaged in cultivation, processing, and dispensing of marijuana for medical use in the Town at 11 Amelia Drive, Nantucket, Massachusetts 02554 (hereinafter the "Facility") in accordance with Chapter 369 of the Acts of 2012 and applicable regulations, as such state and regulations have and may be further amended or replaced by Chapter 55 of the Acts of 2017 (the "Act") and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable regulations, as may be amended;

WHEREAS, Company, notwithstanding any exempt status, intends to pay all local taxes attributable to its operation, including real estate taxes on the space within which the Facility is located;

WHEREAS, Company desires to be a responsible corporate citizen and contributing member of the business community of the Town, and in the event the contingencies noted below are met, intends to provide certain benefits to the Town over and above typical economic development benefits attributable with similar new manufacturing and retail concerns locating in the Town;

WHEREAS, the Town believes that the Company's operation of the Facility, coupled with its various contributions to the Town, as set forth herein, would advance the public good; and

WHEREAS, the parties intend by this Agreement to satisfy the provisions of G.L. c. 94G, § 3(d), as established in the Act, applicable to the operation of the Facility as a MMTC in the Town;

NOW THEREFORE, in consideration of the provisions of this Agreement, Company and the Town agree as follows:

**1. Community Impact.**

The Town anticipates that, as a result of the Company's operation of the Facility, the Town will incur additional expenses and impacts upon its road system, law enforcement, fire protection services, inspectional services, permitting services, and public health services, in addition to potential additional unforeseen impacts upon the Town. Accordingly, in order to mitigate the financial impact upon the Town and use of Town resources, t The Company agrees to make a donation or donations to the Town, in the amounts and under the terms provided herein (the "FundsAnnual Payments").

## **2. Annual Payment.**

In the event that Company obtains a Final Certificate of Registration, or such other license and/or approval as may be required for the operation of the Facility in the Town by the Massachusetts Department of Public Health (hereinafter "DPH"), the Cannabis Control Commission (the "CCC"), or such other state licensing or monitoring authority, as the case may be, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto said matter not being appealed further, which said permits and/or licenses allow Company to locate, occupy and operate the Facility in the Town, then Company agrees to the following for each year this Agreement is in effect, provided, however, that if the Company fails to secure any such other license and/or approval as may be required, or any of required municipal approvals, the Company shall reimburse the Town for its legal fees associated with the negotiation of this Agreement:

- a. The Company shall make annual payments in an amount equal to 3% of gross revenue from medical marijuana sales made at the Facility (the "Annual Payments"). The Annual Payments shall be due on June 30th following at least 12 months after the issuance of a Final Certificate of Registration, or such other license and/or approval as may be required.
- b. Upon receipt of a Special Permit to operate a Medical Marijuana Treatment Center at the Facility, Company shall make a payment to the Town in the amount of \$50,000 for improvements to be made to the municipal parking lot located to the rear of the Facility, provided, however, that such amount shall be subtracted from the first Annual Payment made by the Company to the Town pursuant to Section 2(a) above.
- c. With regard to any year of operation for the Facility which is not a full calendar year, the applicable Annual Payments shall be pro-rated accordingly.

## **3. Payments.**

The Company shall make the Annual Payments set forth in Paragraph 2, above, to the Town of Nantucket. The Treasurer of the Town shall hold the Annual Payments in a separate fund, to be expended by the Board of Selectmen without further appropriation pursuant to G.L. c.44, §53A, or otherwise in trust, for the purposes of addressing the potential health, safety, and other effects or impacts of the Facility on the Town and on municipal programs, services, personnel, and facilities. While the purpose of the Annual Payments is to assist the Town in addressing any public health, safety, and other effects or impacts the Facility may have on the Town and on municipal programs, services, personnel, and facilities, the Town may expend the Annual Payments at its sole and absolute discretion, as determined by the Board of Selectmen. Notwithstanding the Annual Payments, nothing shall prevent the Company from making additional donations from time to time to causes that will support the Town, including but not limited to local drug abuse prevention/treatment/education programs.

## **4. Other Payments.**

Company anticipates that it will make annual purchases of water, and sewer from all local government agencies. Company will pay any and all fees associated with the local permitting of the Facility.

**5. Annual Filing.**

Company shall notify the Town when the Company commences sales at the Facility and shall submit annual financial statements to the Town on or before May 1, which shall include certification of itemized gross sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. Upon request, the Company shall provide the Town with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the Commonwealth to obtain and maintain a license for the Facility.

The Company shall maintain its books, financial records and any other data related to its finances and operations in accordance with standard accounting practices and any applicable regulations and guidelines promulgated by the Commonwealth of Massachusetts. All records shall be retained for a period of at least seven (7) years.

**6. Re-Opener/Review.**

In the event that the Company enters into a host community agreement for a MMTC with another municipality in the Commonwealth of Massachusetts that contains financial terms that are superior to what the Company agrees to provide the Town pursuant to this Agreement, then the parties shall reopen this Agreement and negotiate an amendment resulting in financial benefits to the Town equivalent or superior to those provided to the other municipality.

**7. Local Taxes.**

At all times during the Term of this Agreement, property, both real and personal, owned or operated by Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by Company or by its landlord, and neither Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit exemption from paying such taxes. Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by Company is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in G.L. c. 59, §38, or (iii) if Company is determined to be entitled or subject to exemption with the effect of reducing or eliminating the tax which would otherwise be due if not so exempted, then Company shall pay to the Town an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the payment made by Company under Section 2 of this Agreement.

**8. Community Support and Additional Obligations.**

- a. Local Vendors — To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, Company will make every effort in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Facility.

- b. Employment — Except for senior management, and to the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, Company shall use good faith efforts to hire Town residents.
- c. Approval of Manager - If requested by the Town, the Company shall provide to the Town, for review and approval, the name and relevant information, including but not limited to the information set forth in 105 CMR 725.030, or such other state regulations, as the case may be, of the person proposed to act as on-site manager of the Facility. The submittal shall include authorization and all fees necessary to perform a criminal history (CORI) check or similar background check. The Town shall consider such information for approval within thirty days following submittal to determine, in consultation with the Nantucket Police Chief, if the person proposed is of suitable character to act as on-site manager. Such approval shall not be unreasonably denied, conditioned or delayed. This approval process shall also apply to any change of on-site manager.
- d. Educational Programs - Company shall provide staff to participate in a reasonable number of Town-sponsored educational programs on public health and drug abuse prevention, and to work cooperatively with other Town public safety departments not mentioned in the Agreement.
- e. Processing Restrictions - The Company shall not utilize Butane nor Propane in the processing of marijuana products.
- f. Testing Requirements - The Green Lady Dispensary will work with the Nantucket Health Department to ensure that all Green Lady products are tested to the satisfaction of the Town.

## **9. Support.**

The Town agrees to submit to DPH, CCC, or such other state licensing or monitoring authority, as the case may be, a letter supporting the Company's application for a Certificate to operate the Facility. The Town agrees to support Company's application to DPH, CCC, or such other state licensing or monitoring authority, as the case may be, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any Special Permit application submitted by the Company, in any particular way other than by the Town's normal and regular course of conduct and in accordance with their rules and regulations and any statutory guidelines governing them. The Town agrees to use reasonable efforts to work with Company, if approved, to help assist Company on their community support and employee outreach programs. This agreement does not affect, limit, or control the authority of Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Bylaws of the Town, or applicable regulations of those boards, commissions, and departments, or to enforce said statutes, Bylaws, and regulations. The Town, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary for the Facility to operate in the Town, or to refrain from enforcement action against the Company and/or the Facility for violation of the terms of said permits and approvals or said statutes, Bylaws, and regulations.

**10. Security.**

- a. Company shall maintain security at the Facility at least in accordance the security plan presented to the Town and approved by DPH, CCC, or such other state licensing or monitoring authority, as the case may be. In addition, Company shall at all times comply with all applicable laws and regulations regarding the operations of the Facility and the security thereof. Such compliance shall include, but will not be limited to: providing hours of operation; after-hours contact information and access to surveillance operations; and requiring dispensary agents to produce their Program ID Card to law enforcement upon request.
- b. To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of DPH, CCC, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the Town's Police Department in determining the placement of exterior security cameras, so that at least two cameras are located to provide an unobstructed view in each direction of the public way(s) on which the Facility is located.
- c. Company agrees to cooperate with the Town's Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the Facility, and with regard to any anti-diversion procedures.
- d. To the extent requested by the Town's Police Department, the Company shall work with the Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the commencement of cultivation operations at the facility. Such plan shall include, but is not limited to, (i) training Company employees to be aware of, observe, and report any unusual behavior in authorized visitors or other Company employees that may indicate the potential for diversion; and (ii) utilizing seed-to-sale tracking software to closely track all inventory at the Facility.
- e. Company shall promptly report the discovery of the following to Town police within 24 hours of the Company becoming aware of such event: diversion of marijuana; unusual discrepancies identified during inventory; theft; loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security.

**11. Edible Products.**

The Company agrees that it will not produce or sell items that resemble or are in the form of candy, such as lollipops, "gummi bears," jelly beans, or similar products.

**12. Term and Termination.**

This Agreement shall take effect on the day above written, subject to the contingencies noted herein. This agreement shall continue in effect for so long as Company operates the Facility or any similar MMTC within the Town, or five (5) years from the date of this Agreement, whichever is earlier. At the conclusion of the term of this Agreement, the parties shall renegotiate a new Host Community Agreement in accordance with the G.L. c. 94G, § 3(d) as such law may be amended or replaced. In the event Company no longer does business in the Town or in any way loses or has its license revoked by the Commonwealth, this Agreement shall become null and void. The Town may terminate this Agreement at any time. Company shall not be required to cease operations at the termination of this Agreement.

**13. Governing Law.**

This Agreement shall be governed in accordance with the laws of the Commonwealth of Massachusetts and venue for any dispute hereunder shall be in the courts of Nantucket County

**14. Amendments/Waiver.**

Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by all signatories to the original Agreement, prior to the effective date of the amendment.

**15. Severability.**

If any term or condition of the Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced. Further, the Company agrees it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement.

**16. Successors/Assigns.**

This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. Neither the Town nor Company shall assign, sublet, or otherwise transfer any interest in the Agreement without the written consent of the other. The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, and shall not assign any of the monies payable under this Agreement, except by and with the written consent of the Town and shall not assign or obligate any of the monies payable under this Agreement, except by and with the written consent of the Town.

**17. Entire Agreement.**

This Agreement constitutes the entire integrated agreement between the parties with respect to the matters described. This Agreement supersedes all prior agreements, negotiations and

representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

**18. Notices.**

Except as otherwise provided herein, any notices, consents, demands, request, approvals or other communications required or permitted under this Agreement shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and will be effective upon receipt for hand or said delivery and three days after mailing, to the other Party at the following addressees:

To Town:                      Town Manager, Town of Nantucket  
16 Broad Street  
Nantucket, MA 02554  
Facsimile: 508-228-7272

To Company:                The Green Lady Dispensary, Inc.  
15 Skyline Drive  
Nantucket, MA 02554

**19. Third-Parties.**

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either Town or the Company.

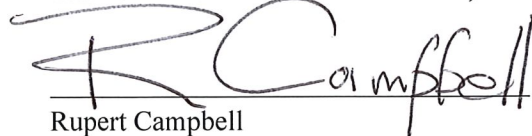
In witness whereof, the parties have hereafter set faith their hand as of the date first above written.

TOWN OF NANTUCKET



Elizabeth Gibson  
Town Manager

THE GREEN LADY DISPENSARY, INC.



Rupert Campbell  
President

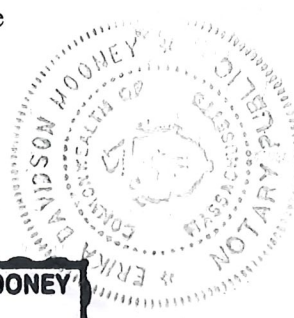
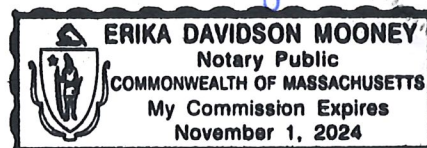
COMMONWEALTH OF MASSACHUSETTS

Nantucket, ss.

On this 5 day of December, before me, the undersigned Notary Public, personally appeared the above-named Elizabeth Gibson, proved to me by satisfactory evidence of identification, being (check whichever applies): ☐ driver's license or other state or federal governmental document bearing a photographic image, ☐ oath or affirmation of a credible witness known to me who knows the above signatory, or ☒ my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by him voluntarily for its stated purpose, as the duly authorized Town Manager of the Town of Nantucket.

Notary Public  
My Commission Expires:

Erika D Mooney



COMMONWEALTH OF MASSACHUSETTS

\_\_\_\_\_, ss

On this 21 day of November, before me, the undersigned Notary Public, personally appeared the above-named Rupert Campbell, proved to me by satisfactory evidence of identification, being (check whichever applies): ☒ driver's license or other state or federal governmental document bearing a photographic image, ☐ oath or affirmation of a credible witness known to me who knows the above signatory, or ☐ my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by him voluntarily for its stated purpose, as the duly authorized President of The Green Lady Dispensary, Inc.

Notary Public  
My Commission Expires:

5/11/2021

MARY K. ARONIS  
Notary Public, State of New York  
Registration Number 01AR6205703  
Qualified in Bronx County  
Commission Expires: 5/11/2021

Mary K. Aronis 11/21/2017